

Town Offices

PROGRAM PURPOSE

The Town Offices programs are comprised of: Town Council Administration; Offices of the Elected Town Clerk; Town Treasurer; and the Office of the Town Attorney, including the Self-Insurance Liability program. The purpose of each program is outlined in the sections that follow this page.

BUDGET OVERVIEW

The FY 2006/07 Town Offices operating budget reflects increases in salary and benefit costs allocated to these programs, and some small increases in operating expenditures for contract services. It is anticipated that general administrative, legal, and risk management services will be maintained at current levels. Provision of these services will continue to be implemented through the recent administrative restructuring, which included the addition of a customer service center and consolidation of administrative clerk and legal support functions through full-time equivalent (FTE) reductions and workload reallocations. A second restructuring phase will be explored. If additional permanent changes are recommended prior to the development of the FY 2007/08 budget, they will be brought forward for Council's consideration during the fiscal year.



Town Council

TOWN COUNCIL ADMINISTRATION PROGRAM 1010

PROGRAM PURPOSE

The Town Council is the legislative body that represents the Town of Los Gatos. The Town Council is comprised of five (5) Council members, with the Mayor and Vice Mayor annually appointed by Council members each November. The Town Council operates under a Council/Manager form of government that combines the policy leadership of elected officials in the form of a Town Council, with the managerial expertise of an appointed Town Manager. With the assistance of Town staff, the Mayor and Town Council identify and implement appropriate policy, program and budget priorities for the Town.

As an elected Legislature, the Town of Los Gatos Council's priorities reflect, through its regulatory and budgetary enactments, the aspirations of the residents of Los Gatos. These priorities are implicit in the programs adopted and set forth in the annual operating budget for the Town of Los Gatos.

BUDGET OVERVIEW

The FY 2006/07 budget for the Town Council reflects a moderate increase in salary and benefit costs and operating expenditures allocated to these programs. General administrative services, including agenda packet preparation and distribution; customer and elected official support and Council policy/program analysis will be maintained at current service levels. However, it is important to note structural changes carried forward from the FY 2005/06 administrative restructuring within the Town Manager's/Administrative Services Department have resulted in reduced capacity and flexibility to address unanticipated service requests.

TOWN COUNCIL

SUMMARY OF REVENUES AND EXPENDITURES

	2002/03	2003/04	2004/05	2005/06	2005/06	2006/07
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed
REVENUES						
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Sources</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	102,612	104,424	109,663	126,200	123,100	131,500
<i>Operating Expenditures</i>	16,923	23,394	23,553	20,990	21,130	23,230
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	9,324	9,048	4,545	4,200	5,000	4,300
TOTAL EXPENDITURES	\$ 128,859	\$ 136,866	\$ 137,761	\$ 151,390	\$ 149,230	\$ 159,030

TOWN COUNCIL

KEY PROGRAM SERVICES

- Represents the residents of Los Gatos
- Formulates and enacts public policy in response to current and anticipated needs within political, administrative, and fiscal constraints
- Provides community leadership as the legislative and policy-making body of the municipal government
- Oversees Town boards and commissions
- Represents the Town of Los Gatos through coordination and collaboration with other government agencies

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2002/03 Funded	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded
Councilmembers	-	-	-	-	-	-
Administrative Analyst	-	0.10	0.10	0.10	-	-
Administrative Programs Mgr.	0.10	-	-	-	0.10	0.10
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50	0.50
Office Clerk	0.25	0.25	0.25	0.25	0.25	0.25
Total Council Dept. FTEs	0.85	0.85	0.85	0.85	0.85	0.85
<i>Elected Officials</i>						
Elected Councilmembers	5.00	5.00	5.00	5.00	5.00	5.00
Total Elected Officials	5.00	5.00	5.00	5.00	5.00	5.00
<i>Temporary Staff Hours</i>						
Intern		-	500	375	175	175
Total Annual Hours		-	500	375	175	175



Town Clerk

OFFICE OF THE ELECTED TOWN CLERK PROGRAM 1040

PROGRAM PURPOSE

The Elected Town Clerk serves a four-year term, with duties that include administering the oath of Office to elected officials, signing ordinances, auditing of the Town's official Minute Book, Ordinance Book, and official log for the Fair Political Practices Commission Form 700 for designated elected and appointed officials and Town employees.

BUDGET OVERVIEW

Prior year expenditures for the Office of the Elected Town Clerk were funded in the Clerk Administration Program, which is reflected in the Town Manager's/Administrative Services Department. The FY 2006/07 Office of the Elected Town Clerk budget represents funding for the elected position commensurate with Town Council positions. There are no operating expenses for this program other than a monthly stipend.

∞ OFFICE OF THE ELECTED TOWN CLERK ∞

SUMMARY OF REVENUES AND EXPENDITURES

	2002/03	2003/04	2004/05	2005/06	2005/06	2006/07
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed
REVENUES						
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Sources</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	-	-	-	2,000	2,200	2,000
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	100	100	100
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 2,100	\$ 2,300	\$ 2,100

DEPARTMENT STAFFING

	Authorized	2002/03	2003/04	2004/05	2005/06	2006/07
	Positions	Funded	Funded	Funded	Funded	Funded
<i>Elected Officials</i>						
Elected Town Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Total Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00

Town Treasurer

TOWN TREASURER ADMINISTRATION PROGRAM 1077

PROGRAM PURPOSE

The Town Treasurer is the elected custodian of Town Funds, serving a four year term. As the custodian, the Treasurer manages the Town's investments program, monitors cash flow requirements, debt administration, and banking services, and prepares a monthly report to the Council. The Treasurer's primary objective is to provide oversight of Town investment activities to obtain the highest available portfolio earnings in accordance with mandated State Government and Town Code. Related duties within these areas of responsibility include monthly investment reporting and preparing an annual update to the Town's Investment Policy.

BUDGET OVERVIEW

Projected interest income revenues for FY 2006/07 illustrate the positive impact of the slowly improving economy. Rates fell to a low point in May of 2004, and since then have shown a slow, but steady, increase in returns. As a result, FY 2005/06 revenues are higher than expected, which is further reflected by an increase in estimated revenues for FY 2006/07.

Based on the recommendation of the Town Treasurer, the Town retained an investment management firm in FY 2003/04 to provide expertise in the management of a portion of the Town's investment portfolio. A new investment management firm replaced the original firm in FY 2005/06 to change the investment relationship from full discretionary to non-discretionary services, which means investment services are now advisory in nature and thereby returns investment decision control to the Treasurer. In the past, the Town Treasurer made all decisions about investments, in accordance with the Town's investment policy, but without consultation or advice from any source other than the broker or dealers through which investments were purchased. The use of an investment firm has expanded the knowledge base of the Town's investment decisions as well as increased the sources from which investments are purchased. Fees for this service are calculated on the average fair market value of the portfolio under management and are offset by increased portfolio earnings.

The remainder of the Treasurer's Office FY 2006/07 program budget is consistent with prior year operating expenses. The investment program appropriations are currently reduced to minimum service levels for maintaining the Treasurer's investment and oversight responsibilities and have no further opportunities for reductions.

∞ TOWN TREASURER ∞

SUMMARY OF REVENUES AND EXPENDITURES

	2002/03	2003/04	2004/05	2005/06	2005/06	2006/07
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed
REVENUE						
<i>Interest Income</i>	1,161,231	(61,256)	768,204	918,750	978,750	1,055,700
TOTAL REVENUES	1,161,231	\$ (61,256)	\$ 768,204	\$ 918,750	\$ 978,750	\$1,055,700
EXPENDITURES						
<i>Salaries and Benefits</i>	41,911	41,231	42,903	54,500	46,000	52,900
<i>Operating Expenditures</i>	5,266	30,557	36,268	39,050	37,150	41,350
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	4,991	4,880	3,585	3,700	3,700	3,900
TOTAL EXPENDITURES	\$ 52,168	\$ 76,668	\$ 82,756	\$ 97,250	\$ 86,850	\$ 98,150

2006/07 KEY PROJECTS

Town Investment Policy – Review and update the annual Investment Policy to reflect progressive investment techniques which conform to State Government and Town Code.

Investment Management Firm Review – Track and assess the new investment management firm's (MBIA Municipal Investors Service Corporation) activities and results to determine operational improvements in investment practices.

∞ TOWN TREASURER ∞

KEY PROGRAM SERVICES

- Serves as custodian of all Town funds, pursuant to State Government and Town code
- Manages Town investments, including decisions related to purchases and cash management, in conformity with adopted Investment Policy
- Provides oversight of Town Debt Service and banking service relationships
- Informs Town Council and Town Management of investment activity trends and results

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

<i>Town Staff</i>	Authorized Positions	2002/03 Funded	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded
Sr. Account Technician	0.25	0.25	0.25	0.25	0.25	0.25
Total Treasurer Dept FTEs	0.25	0.25	0.25	0.25	0.25	0.25
<i>Elected Officials</i>						
Elected Treasurer	1.00	1.00	1.00	1.00	1.00	1.00
Total Elected Officials	1.00	1.00	1.00	1.00	1.00	1.00

* The Sr. Account Technician .25 FTE represents Finance staff's work assignments to assist the Elected Treasurer with treasury related duties.

∞ TOWN TREASURER ∞

Performance Objectives and Measures	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Estimated	2006/07 Budget
1. <i>Provide oversight of Town investment activities to obtain highest available portfolio earnings in accordance with State Government and Town Codes.</i>					
a. Average rate of return on investments:	3.11%	2.43%	2.85%	3.35%	3.85%

Activity and Workload Highlights	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Estimated	2006/07 Budget
1. Monthly investment reports to Town Council:	12	12	12	12	12

Town Attorney

TOWN ATTORNEY ADMINISTRATION PROGRAM 1099

PROGRAM PURPOSE

The Town Attorney is the legal advisor to the Town Council, Redevelopment Agency and staff. In this capacity, the Office of the Town Attorney provides a wide range of legal services to ensure that Town actions and activities are legally sound. The core services of the Town Attorney's Office include, but are not limited to: providing timely legal advice to the Town Council, Town advisory bodies and staff; drafting contracts, opinions, resolutions and ordinances; reviewing, processing, and settling claims against the Town; and prosecuting, and defending civil lawsuits against the Town.

BUDGET OVERVIEW

The FY 2006/07 budget for the Town Attorney's Office reflects a moderate increase in salary and benefits and maintains prior year expenditure levels. As part of the FY 2005/06 administrative restructuring and service consolidation, the Town Attorney's Office in coordination with the Clerk Department will continue to provide legal and advisory services, litigation support, claims administration, contract review and development, and general administrative support functions. The Town Manager's Office will continue to manage this consolidation and cross-training will continue within the Administrative Services Department to build staff capacity to deliver the full array of services under the charge of this department.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2002/03 Actuals	2003/04 Actuals	2004/05 Actuals	2005/06 Adopted	2005/06 Estimated	2006/07 Proposed
REVENUES						
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Sources</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	157,281	150,084	170,806	171,400	176,500	179,400
<i>Operating Expenditures</i>	31,636	46,893	20,469	43,000	19,250	43,350
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	26,410	24,436	22,032	19,300	22,200	22,700
TOTAL EXPENDITURES	\$ 215,327	\$ 221,413	\$ 213,307	\$ 233,700	\$ 217,950	\$ 245,450

FY 2006/07 KEY PROJECTS

Process Improvements - The Town Attorney's Office is a service department that must be available to respond to the varying needs of the Town Council and Town staff. However, without compromising this key focus, the Town Attorney will continue to assist in the effort to streamline administrative functions, including contract development and management; and reduce the cost of legal services and overall Town liability.

Administrative Restructuring -The Town Attorney's Office will continue to work in cooperation with the Town Manager's Office and Clerk Department to consolidate attorney and claims-related administrative support services. This effort will include the ongoing assessment of service needs and/or impacts and development of transition and training tools.

TOWN ATTORNEY

KEY PROGRAM SERVICES

- Represents the Town regarding litigation matters, including criminal prosecutions of code violations
- Serves as the legal advisor for the Town Council, Town staff, and Redevelopment Agency
- Processes and evaluates all personal injury, property damage and other monetary claims against the Town and manages all litigation involving the Town
- Drafts and/or reviews all proposed ordinances and resolutions
- Supervises personal injury or property damage claims and related claims litigation
- Reviews and/or drafts Town staff reports and contracts
- Assists in the administration of the Town's liability insurance and risk management program
- Negotiates key transactions such as property acquisitions

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	Authorized Positions	2002/03 Funded	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded
<i>Town Staff</i>						
Town Attorney	0.75	0.75	0.75	0.75	0.75	0.75
Legal Assistant	-	0.75	0.20	0.25	-	-
Secretary to the Attorney	1.00	-	-	-	-	-
Deputy Clerk	0.10	-	-	-	0.10	0.10
Total General Fund FTEs	1.85	1.50	0.95	1.00	0.85	0.85
<i>Liability Self-Insurance</i>						
Town Attorney	0.25	0.25	0.25	0.25	0.25	0.25
Legal Assistant	-	-	0.55	0.25	-	-
Deputy Clerk	0.20	-	-	-	0.20	0.20
Total Liability Fund FTEs	0.45	0.25	0.80	0.50	0.45	0.45
Total Attorney's Office FTEs	2.30	1.75	1.75	1.50	1.30	1.30

TOWN ATTORNEY

Performance Objectives and Measures	2002/03 Actual	2003/04 Actual	2004/05 Actuals	2005/06 Estimated	2006/07 Budget
1. <i>To reduce the legal and financial consequences of claims and lawsuits against the Town.</i>					
a. Percentage of claims for denial or approval processed within forty-five days of filing:	95%	98%	98%	98%	98%
2. <i>To protect the Town from legal exposure through the timely review of contracts, staff reports, and Town</i>					
a. Percentage of staff reports and contracts reviewed in twenty-four hours of receipt:	95%	98%	95%	98%	98%
b. Percentage of formal Request for Written Opinions prepared within three working days:	95%	95%	95%	95%	95%

Activity and Workload Highlights	2002/03 Actual	2003/04 Actual	2004/05 Actuals	2005/06 Estimated	2006/07 Budget
1. Number of incident reports processed:	26	12	22	22	50
2. Number of property loss reports processed:	34	23	33	33	35
3. Number of subpoenas handled:	6	11	20	20	15
4. Number of Public Records Act requests processed:	12	22	22	22	30
5. Number of resolutions and ordinances developed:	35	25	35	35	30
6. Number of formal opinion requests and contracts reviewed:	224	111	121	100	111
7. Number of cases closed:	11	3	10	10	10
8. Number of claims:	<i>New Highlight for 2005/06</i>	<i>New Highlight for 2005/06</i>	<i>New Highlight for 2005/06</i>	15	12

Town Attorney

LIABILITY SELF-INSURANCE FUND PROGRAM 6620

FUND PURPOSE

The Town is a member of the Association of Bay Area Government (ABAG) insurance pool, a self-insurance program established in 1986 to provide general liability, property insurance, and risk management services to 30 cities within the Bay Area. This coverage minimizes the Town's exposure to losses as a result of Town policy or actions.

The annual premium paid by the Town allows for \$7 million coverage with a \$50,000 deductible, per occurrence. Self-Insurance rates have been established to accurately allocate the cost of this internal service fund to all programs based on staffing levels, thus, more accurately distributing cost.

BUDGET OVERVIEW

The FY 2006/07 budget reflects a slight rise in budgeted operating expenditure levels from the prior year as a result of minor operational cost increases. No significant increases in insurance premiums or expenditures are anticipated for FY 2006/07.

As part of the FY 2005/06 administrative restructuring and service consolidation, the Town Attorney's Office in coordination with the Clerk Department will continue to provide claims administration support functions. The Town Manager's Office will continue to manage this consolidation and implement cross-training within the Administrative Services Department.

The Self-Insurance program is funded through departmental charges based on established assessment rates per labor dollar expended. Service rates are established to maintain fund balance capacity at a minimum of three times the annual operating expense. This rule of thumb provides a funding source for potential claims against the Town. Excess funding is reduced through lower service rates and transfers back to the General Fund.

As the liability program's overall cost remains significantly lower than in previous years due to a low-claims history, the labor rate assessments to the departments will continue at the reduced rates established in FY 2004/05. These rates reflect a 20% decrease in FY 2004/05 from the 80% assessment levels initiated in FY 2003/04 (meaning rates continue at 64% of what they were four years ago.) This lower rate more accurately reflects actual program costs, which although results in reduced revenue to this program, produces town-wide reductions in program expenses.

∞ TOWN ATTORNEY ∞
Liability Self-Insurance Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2002/03	2003/04	2004/05	2005/06	2005/06	2006/07
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed
SOURCE OF FUNDS						
Beginning Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,858,075	2,130,705	1,822,034	1,939,958	1,939,958	1,973,658
Total Beginning Fund Balance	1,858,075	2,130,705	1,822,034	1,939,958	1,939,958	1,973,658
Revenues						
Service Charges	763,084	605,635	488,726	477,600	492,300	482,300
Other Sources	17,084	30,427	22,122	15,000	5,000	-
Total Revenues	780,168	636,062	510,849	492,600	497,300	482,300
TOTAL SOURCE OF FUNDS	2,638,242	2,766,767	\$2,332,882	\$2,432,558	\$2,437,258	\$2,455,958
USE OF FUNDS						
Expenditures						
Salaries and Benefits	97,447	94,530	74,678	58,400	79,800	58,800
Operating Expenditures	260,090	725,204	318,246	431,350	383,800	437,300
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	357,537	819,733	392,924	489,750	463,600	496,100
Operating Transfers						
Transfer to General Fund	150,000	125,000	-	60,000	-	-
Total Operating Transfers	150,000	125,000	-	60,000	-	-
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	2,130,705	1,822,034	1,939,958	1,882,808	1,973,658	1,959,858
Total Ending Fund Balance	2,130,705	1,822,034	1,939,958	1,882,808	1,973,658	1,959,858
TOTAL USE OF FUNDS	2,638,242	2,766,767	\$2,332,882	\$2,432,558	\$2,437,258	\$2,455,958

∞ TOWN ATTORNEY ∞
Liability Self-Insurance Program

2006/07 KEY PROJECTS

Premium Management - Town operations will continue to emphasize the improvement of safety concerns by actively pursuing ABAG training programs. In an effort to minimize insurance claims, the insurance pool offers safety training in areas which produce a high liability risk. This fiscal year's programs will focus on claims arising due to driving practices.

Administrative Restructuring -The Town Attorney's Office will continue to work in cooperation with the Town Manager's Office and Clerk Department to consolidate attorney and claims-related administrative support services. This effort will include the ongoing assessment of service needs and/or impacts and development of transition and training tools.

KEY PROGRAM SERVICES

- Act as liaison with the Town's Liability Insurance administration
- Inform Town Council and Town Management of potential claims and results

LIABILITY SELF-INSURANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	Authorized Positions	2002/03 Funded	2003/04 Funded	2004/05 Funded	2005/06 Funded	2006/07 Funded
Town Staff						
Town Attorney	0.25	0.25	0.25	0.25	0.25	0.25
Legal Assistant	-	-	0.55	0.25	-	-
Deputy Clerk	0.20	-	-	-	0.20	0.20
Total Liability FTEs	0.45	0.25	0.80	0.50	0.45	0.45

